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**SF 396** – Evaluation of Mandated Health Insurance Coverages (LSB2501SV)  
Analyst: Joseph Brandstatter (Phone: 515-725-2062) ([joseph.brandstatter@legis.state.ia.us](mailto:joseph.brandstatter@legis.state.ia.us))  
Fiscal Note Version – New

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### **Description**

**Senate File 396** requires an annual review of legislation and current State laws that contain mandated health care benefits by the Commissioner of the Iowa Insurance Division (IID). When a bill or resolution is requested, the Legislative Services Agency (LSA) will determine if the proposed legislation contains a health insurance mandate. If the legislation contains a mandate, it will be referred to the IID for analysis and included in an issuance of a comprehensive annual report to the General Assembly and the Governor. The report will include a financial impact analysis performed by a certified actuary and recommendations concerning decision-making criteria which could be used to reduce the number of mandates or extend the coverage.

The report will also include social, medical, and financial impacts to the entire State. The Commissioner of the IID is also required to conduct an annual evaluation of all mandated health care benefits that are currently required under State law including a financial analysis. A comprehensive annual report The Bill is effective upon enactment.

### **Background**

Currently the LSA only analyzes the fiscal impact of legislation to the General Fund. This legislation would greatly expand the scope of analysis to include the financial impact to all Iowans and also examine the social and medical impact.

### **Assumptions**

The cost for a certified actuary to study one mandate is estimated to be \$17,000 each. This is based on the cost of similar contract reviews performed by the Maryland Health Care Commission. The IID expects this cost to increase to \$18,400 per mandate in FY 2011.

The Insurance Division expects to review ten mandates in FY 2010, including mandates already approved. Five reviews are expected for FY 2011.

The Division expects the issuance of the required annual report to be \$56,000 annually. This amount is based on similar reports required of the Maryland Health Care Commission.

### **Fiscal Impact**

The estimated fiscal impact of Senate File 396 is expected to be \$233,000 for FY 2010 and \$148,000 for FY 2011.

## **Sources**

Iowa Insurance Division  
Legislative Services Agency  
Maryland Health Care Commission  
National Conference of State Legislatures

/s/ Holly M. Lyons

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March 19, 2009

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the correctional and minority impact statements were prepared pursuant to [Section 2.56](#), Code of Iowa. Data used in developing this fiscal note, including correctional and minority impact information, is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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